



## REPORT (2017) OF THE COMMITTEE ON GOVERNMENT PROCUREMENT

### 1 INTRODUCTION

1.1. This report covers the period since the Committee's previous Annual Report<sup>1</sup>, namely end-November 2016 through mid-November 2017. It is issued pursuant to Article XXI:3 of the Agreement as amended by the Protocol Amending the Agreement on Government Procurement, done at Geneva on 30 March 2012 (the "revised Agreement" or "revised GPA") and Article XXIV:7(a) of the 1994 Agreement on Government Procurement ("the 1994 Agreement" or "the GPA 1994").<sup>2</sup> This reflects the entry into force of the revised Agreement on 6 April 2014 and the fact that one Party continues to be bound only by the 1994 Agreement.<sup>3</sup>

1.2. The Committee has had an active and productive year. Since the date of circulation of its last Annual Report (29 November 2016), it has held three formal meetings in Geneva: on 23 February 2017; on 18 October 2017; and on 15 November 2017.<sup>4</sup> The meetings were chaired by Mr John Newham (Ireland).<sup>5</sup> The Committee has also held a series of informal meetings, also chaired by Mr Newham, focusing on the implementation of the revised Agreement; accessions to the Agreement; the Committee's agreed Work Programmes; and other matters, in the weeks beginning 20 February 2017; 19 June 2017; and 16 October 2017, respectively.

1.3. Among other highlights, the Committee notes the progress achieved with respect to work on accession to the Agreement by several WTO Members not currently Parties to it.<sup>6</sup> In addition, requests for observer status from Afghanistan and Brazil have been received and approved by the Committee. Significant work was done with respect to the Committee's agreed Work Programmes, notably those dealing with: (i) the promotion of sustainability in Parties' procurement processes; (ii) the collection and reporting of statistical data; and (iii) access to government procurement activities by small and medium-sized enterprises.<sup>7</sup>

1.4. The following 47 WTO Members are now covered by the Agreement: Armenia; Canada; the European Union, with its 28 member States (normally counted as a single Party); Hong Kong, China; Iceland; Israel; Japan; the Republic of Korea ("Korea"); Liechtenstein; the Republic of Moldova; Montenegro; the Kingdom of the Netherlands with respect to Aruba; New Zealand; Norway; Singapore; Switzerland (the GPA 1994 only); the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu ("Chinese Taipei"); Ukraine and the United States.

1.5. Thirty-one WTO Members have observer status in the Committee on Government Procurement: Afghanistan, Albania, Argentina, Australia, Bahrain, Brazil, Cameroon, Chile, China, Colombia, Costa Rica, Georgia, India, Indonesia, Jordan, Kazakhstan, the Kyrgyz Republic, Malaysia, Mongolia, Oman, Pakistan, Panama, the Russian Federation, Saudi Arabia, Seychelles, Sri Lanka, Tajikistan, Thailand, the former Yugoslav Republic of Macedonia, Turkey, and Viet Nam. The observerships of Afghanistan and Brazil were approved, at their requests, during the reporting

<sup>1</sup> GPA/141, dated 29 November 2016.

<sup>2</sup> The 1994 Agreement and the revised Agreement are hereafter referred to together as the "Agreement on Government Procurement" or "GPA" or "Agreement".

<sup>3</sup> See, for relevant details, Part 2 below.

<sup>4</sup> GPA/M/68, dated 11 May 2017; GPA/M/69, dated 7 November 2017; and GPA/M/70, to be issued.

<sup>5</sup> At its formal meeting of 23 February 2017, the Committee re-elected Mr Newham as Chairman for 2017 (GPA/M/68, dated 11 May 2017, paragraph 1.1.).

<sup>6</sup> See, for relevant details, Part 3 below.

<sup>7</sup> See, for relevant details, Part 4 below.

period, and were warmly welcomed by the Committee.<sup>8</sup> Four intergovernmental organizations, namely the International Monetary Fund (IMF), the International Trade Centre (ITC), the Organization for Economic Co-operation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD), also have observer status.

1.6. The Committee considers the GPA – particularly the revised Agreement which came into force in 2014 – to be an important tool of trade and development in the twenty-first century, contributing not only to market access for Parties' goods, services and suppliers, based on principles of reciprocity and to the extent determined by Parties, but also to the transparency of Parties' procurement systems and to good governance. It is pleased with the progress made on accessions to the Agreement and the Committee's Work Programmes since the entry into force of the revised Agreement. It encourages interest in the Agreement on the part of WTO Members not currently Parties or observers to it, and invites them to consider the potential advantages of association, whether as Parties or as observers.

1.7. The remaining sections of this Report deal with the work done by the Committee during the year, with particular reference to: (i) implementation of the Agreement, including its entry into force; (ii) accessions to the Agreement; (iii) the Committee's agreed Work Programmes; and (iv) notifications made pursuant to the Agreement.

## **2 IMPLEMENTATION OF THE AGREEMENT**

### **2.1 Entry into force of the revised Agreement**

2.1. As recounted in the Committee's three previous Annual Reports<sup>9</sup>, the revised Agreement entered into force on 6 April 2014, 30 days after the submission of formal acceptances of the "Protocol Amending the Agreement on Government Procurement" by two thirds of the Agreement's Parties. As a result of additional acceptances received and accessions that have taken place, the revised Agreement is now in force for all Parties except Switzerland.<sup>10</sup> The latter has provided regular updates to the Committee on related developments and has assured the Committee that it will provide its acceptance as soon as possible, taking account of relevant internal requirements and legislative procedures.<sup>11</sup>

### **2.2 Implementation of the Agreement by Newly Acceded Parties**

#### **2.2.1 Ukraine**

2.2. In the course of the Committee's formal meeting held in February 2017, Ukraine outlined the advances made in its country through the creation of its national e-procurement system (ProZorro). The system also implements an open-source approach, based on the Open Contracting Data Standards (OCDS). The business intelligence (BI) incorporated into ProZorro provides real-time detailed information on government procurement opportunities in Ukraine.<sup>12</sup>

2.3. During the Committee's informal sessions held in February and June 2017, Ukraine introduced its ideas/initiatives for expanded use of electronic tools for exchanging information on government procurement in the GPA context, building on its recent experience and the ongoing technological developments. The main objective of its initiative is to create a unified e-portal to aggregate relevant information on GPA covered procurement opportunities (e.g. procurement notices) and statistical data. Such a unified e-portal could potentially help all interested parties to better identify and monitor procurement opportunities, and facilitate tendering abroad. Initial

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<sup>8</sup> GPA/M/69, dated 7 November 2017, paragraph 1.2. Observership to the Agreement is open to all WTO Members.

<sup>9</sup> See GPA/141, dated 29 November 2016, section 2.1, GPA/134, dated 16 November 2015, section 2.1, and GPA/126, dated 26 November 2014, section 2.

<sup>10</sup> A list of the instrument of acceptances and accessions is provided in GPA/141, dated 29 November 2016, paragraphs 2.1 and 2.2; and GPA/126, dated 26 November 2014, paragraph 2.3.

<sup>11</sup> As the delegation of Switzerland has made clear, the delay in submission of its instrument of acceptance is not due to any substantive reservations regarding the content of the revised Agreement; rather, it reflects a need for completion of on-going internal legislative procedures to harmonize Swiss procurement legislation at the federal and cantonal levels.

<sup>12</sup> GPA/M/68, dated 11 May 2017, paragraphs 2.2-2.7.

responses by several Parties suggested that they were supportive of the goal and looked forward to learning more about the concept. As an initial step, Ukraine invited Parties to provide answers to a questionnaire on its initiative circulated in March 2017.<sup>13</sup>

## 2.2.2 Republic of Moldova

2.4. In the course of the Committee's formal meeting held on 23 February 2017, the Republic of Moldova made a statement outlining its ongoing efforts to fully modernize its procurement system, including through the implementation of the GPA and GPA-compliant national legislation via a modern and comprehensive e-procurement system. It also stressed its need for continued support from the Parties and the Secretariat.<sup>14</sup> In October 2017, the Republic of Moldova updated the Committee on developments regarding its implementation of the Agreement, including the harmonization of its legal framework with the GPA, the creation of a new, fully independent review body under the supervision of its national parliament, and the introduction of ex-post control of procurement procedures. In addition, with the help of several partners, the Republic of Moldova is carrying out an on-going project to achieve full digitalization of procurement procedures in order to increase integrity and accountability. This includes the development of a new national e-procurement system, to be based on standards developed by the Open Contracting Partnership (i.e. the OCDS).

## 2.2.3 Related proposal

2.5. Carrying forward the discussion, in the course of the Committee's informal meeting in October 2017, Ukraine suggested that the Committee explore the impact of ongoing technological developments in the world of government procurement as part of its work. According to the delegation, relevant developments/initiatives include: (i) widespread use of e-procurement systems, including in developing and transition economies; (ii) "open contracting" initiatives to strengthen transparency and deter corruption; and (iii) possibilities to improve business intelligence (BI) and facilitate the accumulation and publication of statistical data. These developments and tools are of particular importance to transition economies acceding to the Agreement, to facilitate their effective implementation of it. Responding to the discussion, the Chairman invited delegations to consider the wider question of how recent developments in the spheres of technology and statistics might impact on government procurement and to share any related suggestions, in advance of the Committee's planned substantive meetings in March 2018.

## 2.3 Continuing development of the "e-GPA" system

2.6. As noted in previous Annual Reports, the aim of the e-GPA system is to provide a single point of access to market access and related information under the revised Agreement, to serve as an information resource for governments, businesses and other interested parties.<sup>15</sup> The system offers improved transparency and user-friendly accessibility to the relevant information, and aims to better publicize the market access opportunities available under the Agreement. It also synergizes importantly with particular elements of the revised GPA text that are aimed at promoting the use of electronic tools in Parties' procurement systems.

2.7. In November 2014, an initial version of the tool ("Phase I") was completed and made publicly accessible. In July 2016, the fully functional edition of [e-GPA 2.0](#) was made publicly accessible via the WTO's website (<https://e-gpa.wto.org/>) ("Phase II"). At the Committee's informal session in February 2017, the Secretariat provided a brief update to the Committee on Phase III of the project. This phase aims to complete and fully operationalize the module on modifications which will serve to keep the e-GPA coverage data up to date with the legal schedules. It also incorporates relevant aspects of the Committee's Decision on Arbitration Procedures.<sup>16</sup> This is expected to improve visibility of and accessibility to information on pending and completed modifications, including calendar, search, and reporting functions. It is also expected to improve efficiency for Parties and the Secretariat in the administration of modification processes.

<sup>13</sup> GPA/W/340, dated 23 March 2017.

<sup>14</sup> GPA/M/68, dated 11 May 2017, paragraphs 2.8-2.13.

<sup>15</sup> See, GPA/141, dated 29 November 2016, section 2.3, GPA/134, dated 16 November 2015, paragraphs 2.2-2.5, and GPA/126, dated 26 November 2014, section 4.6.

<sup>16</sup> GPA/139, dated 23 June 2016.

2.8. The Committee considers the e-GPA system to be important to facilitate not only the efficient and transparent administration of the Agreement, but also the evaluation of the market access opportunities that the Agreement offers by other WTO Members not parties to it, and thus also to promote accession to the Agreement. It looks forward to further improvements to the system in the coming year, including the development of tools to facilitate the circulation of Parties' statistical reports and other notifications under the Agreement, in cooperation with delegations.

#### **2.4 Buy National Initiatives in the United States of America**

2.9. In the course of the Committee's October 2017 formal meeting, it held a discussion on current developments concerning buy-national initiatives in the United States. During the discussion, a number of delegations expressed concerns regarding an Executive Order issued in April 2017, entitled "Buy American and Hire American", and related developments and initiatives. The concerns related, inter alia, to: (i) potential issues of compatibility with United States obligations under the GPA; (ii) possible retaliatory measures by other GPA Parties; and/or (iii) the possibility of increased costs, bureaucracy and/or additional delays, with no offsetting benefits.

2.10. The United States responded by providing detailed information concerning the Executive Order and the review process that it mandated. It recalled that the Executive Order had not changed the applicable legislative framework; indeed, the Order specified that nothing in it could be construed to impair or affect existing rights or obligations under international agreements. The representative assured Parties that their views would be taken into account in the preparation of a report to the President to be issued in November 2017.<sup>17</sup>

#### **2.5 Future work on draft decisions mandated by Article XIX:8 of the revised GPA**

2.11. With regard to the Committee's draft decision on indicative criteria, further work on this issue has been deferred for the time being. Work of the Committee's mandate to develop for adoption a separate draft decision on criteria for compensatory adjustment may be taken up at a later stage.<sup>18</sup>

#### **2.6 Notifications**

2.12. Information concerning notifications pursuant to the Agreement is set out in Part 5 of this Report.

### **3 ACCESSIONS TO THE AGREEMENT**

3.1. Significant progress was made on this aspect of the Committee's work during the review period. Relevant milestones included: (i) further constructive discussions and progress on the accessions of Australia, the Kyrgyz Republic and the Republic of Tajikistan; (ii) the circulation of and discussions on the initial market access offer of the Russian Federation; (iii) continuing constructive dialogue on China's accession; and (iv) the formal initiation of work on the accession of the former Yugoslav Republic of Macedonia, on application by that delegation. The following provides additional details regarding these particular accessions and other developments.

#### **3.1 Further constructive discussions and progress on the accessions of Australia, the Kyrgyz Republic and the Republic of Tajikistan**

##### **3.1.1 Australia**

3.2. Australia applied for accession to the GPA on 2 June 2015<sup>19</sup>, and expressed the hope of a swift conclusion to work on its accession, for the benefit of the multilateral trading system and in order to contribute to its G20 growth targets. Its initial market access offer and replies to the Checklist of Issues were circulated in September 2015.<sup>20</sup> Australia tabled a revised market access

<sup>17</sup> GPA/M/69, dated 7 November 2017.

<sup>18</sup> It is recalled that on 22 June 2016, the Parties adopted the Committee's Decision on Arbitration Procedures pursuant to Article XIX:8(a) of the revised GPA (GPA/139, dated 23 June 2016).

<sup>19</sup> GPA/129, dated 2 June 2015.

<sup>20</sup> GPA/ACC/AUS/1, 8 September 2015; and GPA/ACC/AUS/2, 24 September 2015.

offer in September 2016.<sup>21</sup> Written exchanges were conducted between Australia and relevant Parties.<sup>22</sup> The revised offer was also discussed at the Committee's meetings held in October 2016 and February 2017.

3.3. In June 2017, Australia circulated its second revised market access offer.<sup>23</sup> In the course of the Committee's June 2017 meeting, Australia affirmed that its second revised offer went beyond the coverage reflected in any of its bilateral or regional trade agreements and was close to the maximum level of coverage that it could offer. Parties confirmed that they consider Australia's second revised offer to be a strong one. Several Parties, nonetheless, noted outstanding concerns that they hoped to see addressed. Written comments on Australia's second revised offer were circulated by a number of Parties.<sup>24</sup> During the Committee's discussion in October 2017, Australia confirmed that GPA accession remained a priority and that it intended to submit a final offer, building on its second revised offer, in the coming months. Parties expressed their support for a speedy conclusion of work on Australia's accession, in most cases also reiterating the hope that previously submitted comments and requests would be reflected in the final offer as far as possible.

3.4. The Committee appreciates Australia's continuing engagement and hopes to conclude work on its accession, if possible and on a mutually satisfactory basis, in the first half of 2018.

### 3.1.2 Kyrgyz Republic

3.5. The Kyrgyz Republic applied for accession to the GPA in May 1999<sup>25</sup>, honouring its commitment to initiate GPA accession negotiations, made in the course of its accession to the WTO in 1998.<sup>26</sup> Following a period of minimal activity, work on this accession was resumed in January 2016 with the circulation of the Kyrgyz Republic's Law on Public Procurement and a revised and updated coverage offer.<sup>27</sup> The Kyrgyz Republic's second revised offer was circulated in May 2016.<sup>28</sup> In the course of the Committee's June 2016 meeting, Parties, while appreciating the important improvements incorporated in the second revised offer, asked for some further improvements in order to make the offer agreeable. Written comments were circulated by several Parties and replies to these comments were circulated by the Kyrgyz Republic subsequently.<sup>29</sup>

3.6. On 4 October 2016, the Kyrgyz Republic circulated its final offer.<sup>30</sup> In regard to its relevant legislation, the draft Amendments to the Law on Public Procurement were circulated by the Kyrgyz

<sup>21</sup> GPA/ACC/AUS/17, dated 30 September 2016; and GPA/ACC/AUS/17/Corr.1, dated 14 October 2016.

<sup>22</sup> The European Union - GPA/ACC/AUS/19, dated 22 December 2016; Ukraine - GPA/ACC/AUS/20, dated 12 January 2017; New Zealand - GPA/ACC/AUS/21, dated 7 February 2017; Canada - GPA/ACC/AUS/23, dated 8 February 2017; the United States - GPA/ACC/AUS/26, dated 3 March 2017; the EFTA - GPA/ACC/AUS/27, dated 21 March 2017; and Korea - GPA/ACC/AUS/28, dated 23 March 2017. Replies from Australia to the European Union - GPA/ACC/AUS/22, dated 8 February 2017; to Ukraine - GPA/ACC/AUS/24, dated 16 February 2017; to New Zealand - GPA/ACC/AUS/25, dated 16 February 2017; to Canada - GPA/ACC/AUS/30, dated 16 June 2017; to the United States - GPA/ACC/AUS/31, dated 16 June 2017; to the EFTA - GPA/ACC/AUS/32, dated 19 June 2017; and to Korea - GPA/ACC/AUS/33, dated 19 June 2017.

<sup>23</sup> GPA/ACC/AUS/29, dated 2 June 2017

<sup>24</sup> Ukraine - GPA/ACC/AUS/34, dated 5 July 2017; and the European Union - GPA/ACC/AUS/35, dated 17 July 2017.

<sup>25</sup> GPA/SPEC/4, dated 19 May 1999.

<sup>26</sup> WT/ACC/KGZ/26, dated 31 July 1998, paragraph 120: "The representative of the Kyrgyz Republic stated that the Kyrgyz Republic would initiate negotiations for membership in the Government Procurement Agreement upon accession by tabling an entity offer at that time. He also confirmed that, if the results of the negotiations were satisfactory to the Kyrgyz Republic and the signatories of the Agreement, the Kyrgyz Republic would complete negotiations for membership in the Agreement by 31 December 1999. The Working Party took note of this commitment."

<sup>27</sup> GPA/ACC/KGZ/2, dated 7 January 2016; and GPA/ACC/KGZ/3, dated 19 January 2016.

<sup>28</sup> GPA/ACC/KGZ/6, dated 26 May 2016.

<sup>29</sup> Written comments on the second revised offer by the United States - GPA/ACC/KGZ/7, dated 16 June 2016; Chinese Taipei - GPA/ACC/KGZ/8, dated 20 June 2016; the European Union - GPA/ACC/KGZ/10, dated 28 July 2016; and Ukraine - GPA/ACC/KGZ/11, dated 3 August 2016. Replies from the Kyrgyz Republic to the United States - GPA/ACC/KGZ/14, dated 6 October 2016; to Chinese Taipei - GPA/ACC/KGZ/15, dated 6 October 2016; to the European Union - GPA/ACC/KGZ/16, dated 6 October 2016; to Ukraine - GPA/ACC/KGZ/17, dated 6 October 2016; to Canada - GPA/ACC/KGZ/18, dated 6 October 2016; and to Hong Kong, China - GPA/ACC/KGZ/19, dated 6 October 2016.

<sup>30</sup> GPA/ACC/KGZ/12, dated 4 October 2016.

Republic in October 2016<sup>31</sup> and the Kyrgyz Republic's revised replies to the Checklist of Issues were circulated in June 2017.<sup>32</sup>

3.7. Written exchanges on the Kyrgyz Republic's final offer and/or its draft Law were conducted between relevant Parties and the Kyrgyz Republic.<sup>33</sup> The offer was discussed at the Committee's meetings held in October 2016, and February, June and October 2017. In the course of those discussions, several Parties suggested that, overall, the content of the offer was close to being satisfactory, taking into account clarifications that the Kyrgyz Republic had provided in writing and in bilateral meetings. Some indicated that a limited number of further clarifications or modifications might still be needed. A price preference currently foreseen in its legislation remains a concern. The Kyrgyz Republic reiterated its commitment to GPA accession and reported that relevant work is on-going in the capital.

3.8. The Committee encourages the Kyrgyz Republic to circulate a final offer as well as its replies to outstanding comments and questions as soon as possible. It hopes that this accession can be concluded in 2018, subject to mutually satisfactory outcomes.

### 3.1.3 Republic of Tajikistan

3.9. Tajikistan applied for accession to the GPA in February 2015<sup>34</sup>, to honour its commitment to initiate GPA accession negotiations, made in the course of its accession to the WTO in March 2013.<sup>35</sup> Tajikistan circulated its initial market access offer in February 2015, its revised offer in February 2016, its second revised offer in June 2016, and its third revised offer in October 2016.<sup>36</sup> The offers were discussed on multiple occasions in the course of the Committee's meetings held in 2015 and 2016, and written exchanges took place between GPA Parties and Tajikistan.

3.10. Tajikistan's fourth revised offer was circulated on 20 February 2017 and was discussed at the Committee's meetings held in February, June and October 2017.<sup>37</sup> In the course of the discussions, some Parties expressed continuing concerns mainly regarding a proposed price preference programme in Annex 7 of Tajikistan's fourth revised offer. In response, Tajikistan indicated that it would reconsider the issue in a positive manner and hoped to submit a revised final offer, if possible, by the end of 2017. Written comments on Tajikistan's fourth revised offer were circulated by a number of delegations.<sup>38</sup>

3.11. With regard to its relevant legislation, Tajikistan's draft Law on Public Procurement and its replies to the Checklist of Issues were circulated in 2015.<sup>39</sup> Subsequently, written exchanges on these documents were conducted between Parties and Tajikistan.<sup>40</sup> At the discussion held in October 2017, Tajikistan informed the Committee that the revised national legislation was in the final stage of adoption.

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<sup>31</sup> GPA/ACC/KGZ/13, dated 6 October 2016.

<sup>32</sup> GPA/ACC/KGZ/26, dated 14 June 2017.

<sup>33</sup> Comments from the European Union - GPA/ACC/KGZ/20, dated 21 December 2016; from Ukraine - GPA/ACC/KGZ/21 and GPA/ACC/KGZ/22, dated 12 January 2017; and from the United States - GPA/ACC/KGZ/23, dated 9 February 2017. Replies to the United States - GPA/ACC/KGZ/24, dated 2 June 2017; and to Ukraine - GPA/ACC/KGZ/25, dated 8 June 2017.

<sup>34</sup> GPA/127, dated 12 February 2015.

<sup>35</sup> WT/ACC/TJK/30, dated 6 November 2012, paragraph 244: "The representative of Tajikistan confirmed Tajikistan's willingness to accede to the WTO Agreement on Government Procurement. Tajikistan would become an observer to the Agreement upon accession, and submit an application for membership with a coverage offer within one year after accession to the WTO. The Working Party took note of these commitments."

<sup>36</sup> GPA/ACC/TJK/1, dated 16 February 2015; GPA/ACC/TJK/9, dated 10 February 2016; GPA/ACC/TJK/23, dated 20 June 2016; and GPA/ACC/TJK/30, dated 18 October 2016.

<sup>37</sup> GPA/ACC/TJK/41, dated 20 February 2017.

<sup>38</sup> Comments from the United States - GPA/ACC/TJK/46, dated 13 March 2017; and from the European Union - GPA/ACC/TJK/47, dated 8 June 2017.

<sup>39</sup> GPA/ACC/TJK/7, dated 15 September 2015, and GPA/ACC/TJK/8, dated 12 November 2015.

<sup>40</sup> Comments from the European Union - GPA/ACC/TJK/25, dated 25 July 2016 and GPA/ACC/TJK/38, dated 22 December 2016; from Ukraine - GPA/ACC/TJK/39, dated 12 January 2017; and from the United States - GPA/ACC/TJK/28, dated 5 August 2016. Replies to the European Union - GPA/ACC/TJK/32, dated 18 October 2016 and GPA/ACC/TJK/42, dated 21 February 2017; to Ukraine - GPA/ACC/TJK/35, dated 20 October 2016; and to the United States - GPA/ACC/TJK/37, dated 21 October 2016.

3.12. The Committee appreciates Tajikistan's continuous engagement in its accession process, and encourages Tajikistan to submit its revised final offer as soon as possible. It hopes the accession process can be concluded, in principle and on a mutually satisfactory basis, in the first part of 2018.

### **3.2 The circulation of and discussions on the Russian Federation's initial market access offer**

3.13. The Russian Federation applied for accession to the GPA in August 2016<sup>41</sup>, honouring its commitment to initiate GPA accession negotiations, made in the course of its accession to the WTO in 2012.<sup>42</sup> Its initial market access offer was circulated on 7 June 2017 and was discussed at the Committee's meeting held in June and October 2017.<sup>43</sup> In the course of these discussions, Parties congratulated the Russian Federation and indicated that the initial offer constituted an important milestone in the accession process. As the same time, they also indicated that significant gaps existed between the initial offer and the Parties' expectations. Written comments on the initial offer were circulated by several delegations.<sup>44</sup>

3.14. Parties encouraged the Russian Federation to circulate its replies to the Checklist of Issues as soon as possible. The replies to the Checklist are important to help Parties in assessing the initial offer and to facilitate understanding of the Russian Federation's procurement system. At the Committee's meetings in October 2017, the Russian Federation indicated that the replies to the Checklist of Issues were expected to be circulated before the end of the year. It stressed that the Russian Federation was looking forward to a constructive dialogue with the Parties in the course of the accession negotiations to find a mutual balance of interests.

3.15. The Committee was of the view that the Russian Federation's accession, when it occurs, will be a very significant addition to the GPA and will benefit the Russian Federation, the GPA Committee and the multilateral trading system. It hopes that the replies to the Checklist of Issues will be circulated as soon as possible and that good progress on the Russian Federation's accession to the GPA will be made in 2018.

### **3.3 Continuing constructive discussions on China's accession**

3.16. China applied for accession to the GPA on 28 December 2007<sup>45</sup>, honouring its commitment to initiate GPA accession negotiations, made in the course of its accession to the WTO in 2001.<sup>46</sup> Its initial market access offer was circulated to the Committee in January 2008<sup>47</sup> and, since then, five further offers have been circulated by China. Discussions dedicated to China's accession have taken place on multiple occasions over the last 10 years.<sup>48</sup>

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<sup>41</sup> GPA/140, dated 22 August 2016.

<sup>42</sup> WT/ACC/RUS/70, dated 17 November 2011, paragraph 1143: "The representative of the Russian Federation confirmed the intention of the Russian Federation to join the WTO Agreement on Government Procurement and to notify the Committee on Government Procurement to this effect at the time of accession of the Russian Federation to the WTO and to ensure that from the date of accession, its government agencies would award contracts in a transparent manner according to published laws, regulations and guidelines. He also confirmed that the Russian Federation would request observership in the WTO Agreement on Government Procurement at the time of its accession to the WTO and would initiate negotiations for membership in the WTO Agreement on Government Procurement by tabling an Appendix 1 offer within four years of accession. He confirmed that, if the results of the negotiations were satisfactory to the interests of the Russian Federation and the other Members of the Agreement, the Russian Federation would accede to that Agreement. The Working Party took note of these commitments."

<sup>43</sup> GPA/ACC/RUS/1, dated 7 June 2017

<sup>44</sup> Chinese Taipei - GPA/ACC/RUS/2, dated 8 August 2017; Hong Kong, China - GPA/ACC/RUS/3, dated 6 September 2017; the European Union - GPA/ACC/RUS/4, dated 27 September 2017; New Zealand - GPA/ACC/RUS/5, dated 10 October 2017; and the EFTA countries - GPA/ACC/RUS/6, dated 12 October 2017.

<sup>45</sup> GPA/93, dated 14 January 2008.

<sup>46</sup> WT/ACC/CHN/49, dated 1 October 2001 and WT/MIN(01)/3, dated 10 November 2001, paragraph 341: "The representative of China responded that China would become an observer to the GPA upon accession to the WTO Agreement and initiate negotiations for membership in the GPA by tabling an Appendix 1 offer as soon as possible. The Working Party took note of these commitments."

<sup>47</sup> GPA/ACC/CHN/1, dated 7 January 2008.

<sup>48</sup> A list of references to the Committee's previous Annual Reports the Committee on China's accession is provided in GPA/141, dated 29 November 2017, section 3.4, footnote 49.

3.17. During the reporting period, discussions on next steps regarding this accession took place during the Committee's meetings held in February, June and October 2017. Parties, while acknowledging the significant improvements contained in the fifth revised offer as compared to its previous offers, also made clear that significant gaps remained between the offer and their expectations. They encouraged China to submit a further revised offer as soon as possible. At the Committee's meetings held in February 2017, China announced that it would circulate a further revised offer, at a time to be determined, with a focus on improving the coverage of sub-central government entities and SOEs.<sup>49</sup> It also reported on its continuing efforts to coordinate with domestic stakeholders and to consult bilaterally with relevant GPA Parties, with a view to eventually tabling an improved offer. In this regard, China requested Parties to indicate their priority interests. In response, several Parties indicated that their written comments that had been circulated previously remained valid<sup>50</sup>, and one Party circulated additional comments.<sup>51</sup>

3.18. As noted also in its 2016 Annual Report, the Committee remains of the view that China's GPA accession, on mutually agreeable and appropriate terms, is a matter of significance for the Agreement, for the WTO, and for the world economy; and an important signal for other emerging economies. It hopes that a further revised offer will be circulated by China as soon as possible in 2018 and that further progress on this accession will follow.

### **3.4 The initiation of work on the former Yugoslav Republic of Macedonia's Accession to the Agreement**

3.19. Pursuant to a commitment it undertook in the course of its WTO accession in 2002<sup>52</sup>, the former Yugoslav Republic of Macedonia applied for GPA accession in March 2017.<sup>53</sup> Its draft procurement law and replies to the Checklist of Issues were circulated in March 2017.<sup>54</sup> During the Committee's meetings in June 2017, the former Yugoslav Republic of Macedonia introduced the main characteristics of its public procurement system. Parties warmly welcomed the important steps taken by the former Yugoslav Republic of Macedonia, and encouraged it to submit its initial market access offer as soon as possible. Comments on the draft Law and the replies to the Checklist of Issues were circulated in June 2017 by one Party. Replies to these comments were circulated in July 2017.<sup>55</sup> At the Committee's meetings held in October 2017, the former Yugoslav Republic of Macedonia reported on its ongoing domestic legislative reform and indicated that it planned to circulate its initial market access offer in advance of the Committee's March 2018 meetings.

3.20. The Committee welcomes the initiation of the former Yugoslav Republic of Macedonia's GPA accession process, encourages the circulation of the initial market access offer as soon as possible, and hopes that this accession can move forward swiftly in 2018.

### **3.5 The Chairman's outreach to Latin American countries regarding their interest in the Agreement**

3.21. At the end of 2016, Chairman Newham, with the support of the Committee, wrote to the Ambassadors of all Latin American WTO Members to alert them to the WTO Advanced Regional Workshop on Government Procurement for Latin American Countries to be held in Buenos Aires, Argentina on 3-5 May 2017 (details of the activity are reported in section 3.7 below). He also

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<sup>49</sup> See details contained in the Summary of the Informal Plurilateral Discussion on Accessions to the Agreement on Government Procurement, 23 February 2017, as contained in RD/GPA/49, dated 2 June 2017.

<sup>50</sup> Canada - GPA/ACC/CHN/46, dated 19 June 2015; Japan - GPA/ACC/CHN/47, dated 7 December 2015; and the European Union - GPA/ACC/CHN/48, dated 26 May 2016; and GPA/ACC/CHN/48/Corr.1, dated 14 June 2016.

<sup>51</sup> Korea - GPA/ACC/CHN/49, dated 31 May 2017.

<sup>52</sup> WT/ACC/807/27, dated 26 September 2002, paragraph 177: "The representative of FYROM confirmed that, upon accession to the WTO, the Government of FYROM would initiate negotiations for membership in the Agreement on Government Procurement by tabling an entity offer. He also confirmed that, if the results of the negotiations were satisfactory to the interests of FYROM and the other members of the Agreement, FYROM would complete negotiations for membership in the Agreement within two years of accession. The Working Party took note of these commitments."

<sup>53</sup> GPA/143, dated 17 March 2017.

<sup>54</sup> GPA/ACC/MKD/1, dated 31 March 2017.

<sup>55</sup> The United States' questions - GPA/ACC/MKD/2, dated 6 June 2017; the FYROM's replies - GPA/ACC/MKD/3, dated 27 July 2017.

affirmed his availability and interest to meet with them, if and when useful, to explore any questions that they might have concerning the pros and cons of joining the GPA as Parties or observers. In the course of the Committee's meetings in February 2017, Mr Newham updated the Committee on his outreach initiative, noting that he and the Secretariat had had follow-up conversations with several Latin American WTO Members. Parties expressed their support for this initiative.

3.22. In June 2017, the Chairman provided a further update to the Committee on his outreach to Latin American delegations, including contacts with multiple delegations and his positive impressions from his participation in the WTO Advanced Regional Workshop on the GPA organized by the Secretariat in Buenos Aires on 3-5 May 2017. He noted, in particular, a high level of engagement and interest from Latin America participants in the Workshop, and a strong level of preparedness, knowledge and expertise (e.g. with regard to e-procurement and other technical issues). He observed clear parallels between the participants' interests and various challenges and issues under discussion in the Committee, e.g. concerning: (i) the treatment of SMEs; (ii) the promotion of sustainability; and (iii) the improvement of available statistics on relevant issues. He also observed a *de facto* growing convergence between domestic government procurement regimes in the region and the GPA, due, in part, to the participation by Latin American countries in regional trade agreements (RTAs) with dedicated chapters on government procurement modelled on the GPA. He encouraged Parties to the Agreement to explore further, in their bilateral contacts with relevant delegations, these delegations' potential interests in the Agreement. Subsequently, a separate debrief for Geneva-based representatives of all Latin American WTO Members was held at the WTO in June 2017. The Chairman's remarks delivered at the Workshop were circulated to the Committee in July 2017.<sup>56</sup>

3.23. The Committee appreciates the Chairman's efforts and expresses the hope that interest in the Agreement will grow over time, in Latin America, and in other relevant regions of the world.

### 3.6 Other Pending Accessions

3.24. During the reporting period, the Committee also kept under review the status of other pending GPA accessions and accession commitments. Apart from the above-mentioned six accessions, four other WTO Members have formally initiated work on their respective accessions to the Agreement: Albania, Georgia, Jordan and Oman. A further five WTO Members have provisions regarding accession to the Agreement in their respective Protocols of Accession to the WTO: Afghanistan<sup>57</sup>, Kazakhstan<sup>58</sup>, Mongolia<sup>59</sup>, Saudi Arabia<sup>60</sup> and Seychelles.<sup>61</sup>

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<sup>56</sup> GPA/W/342, dated 7 July 2017.

<sup>57</sup> WT/ACC/AFG/36, dated 13 November 2015, paragraph 199: "The representative of Afghanistan confirmed Afghanistan's willingness to accede to the WTO Agreement on Government Procurement. Afghanistan would become an observer to the Agreement upon accession, and submit an application for membership with a coverage offer after accession to the WTO. He indicated that Afghanistan would consider initiation of negotiations on joining the WTO Agreement on Government Procurement within one year from the date of accession to the WTO. The Working Party took note of these commitments."

<sup>58</sup> WT/ACC/KAZ/93, dated 23 June 2015, paragraph 949: "The representative of Kazakhstan confirmed the intention of Kazakhstan to join the WTO Agreement on Government Procurement and to notify the WTO Committee on Government Procurement to this effect at the time of accession of Kazakhstan to the WTO and to ensure that from the date of accession, its Government agencies would award contracts in a transparent manner according to published laws, regulations and guidelines. She also confirmed that Kazakhstan would request the status of an "observer" in the WTO Agreement on Government Procurement at the time of its accession to the WTO and would initiate negotiations for membership in the WTO Agreement on Government Procurement by tabling an Appendix 1 offer within four years after accession. She confirmed that, if the results of the negotiations were satisfactory to the interests of Kazakhstan and the other Members of the Agreement, Kazakhstan would accede to that Agreement. The Working Party took note of these commitments."

<sup>59</sup> WT/ACC/MNG/9, dated 27 June 1996, paragraph 59: "The representative of Mongolia confirmed that his Government would seek observer status in the Committee for the Agreement on Government Procurement at the time of its accession with a view to initiating negotiations for membership thereafter. The Working Party took note of this commitment."

<sup>60</sup> WT/ACC/SAU/61, dated 1 November 2005, paragraph 231: "The representative of Saudi Arabia confirmed that, upon accession to the WTO, Saudi Arabia would initiate negotiations for membership in the Agreement on Government Procurement by tabling an entity offer. He also confirmed that, if the results of the negotiations were satisfactory to the interests of Saudi Arabia and the other parties to the Agreement, Saudi Arabia would complete negotiations for membership in the Agreement within a year of accession. The Working Party took note of these commitments."

3.25. At the Committee's meetings held in June 2017, Georgia updated the Committee on its ongoing procurement reforms and introduced its government procurement regime. It indicated that Georgia's new draft procurement law was expected to be compliant with the GPA, and the relevant EU Directives/Acquis. Work was ongoing on the implementation of both Georgia's Association Agreement with the European Union and the regional trade agreement with European Free Trade Association (EFTA) countries, which contains a dedicated chapter on government procurement based on the revised GPA. In addition, Georgia was conducting a feasibility and impact study on GPA accession.

3.26. The Committee notes that some (not all) of the commitments mentioned have been outstanding for a considerable period, and hopes to see an acceleration of work toward their fulfilment in 2018. Technical assistance to support such work is available, where appropriate, from the WTO Secretariat, individual GPA Parties, regional donors and other sources. Relevant Members are invited and encouraged to seek such assistance.

### **3.7 Secretariat technical assistance and other activities relevant to GPA accessions**

3.27. Pursuant to a standing request by the Committee<sup>62</sup>, the Secretariat, in the course of the Committee's meetings held in February, June and October 2017, provided brief reports on its ongoing technical assistance activities relevant to GPA accessions. These consisted of two regional workshops, two national seminars, and a number of Geneva-based and other activities.

3.28. The GPA regional workshops were organised, respectively, for the benefit of: (i) Latin American Countries, held in Argentina in May 2017; and (ii) Central and Eastern Europe, Central Asia and the Caucasus (CEECAC) countries, held in Tbilisi, Georgia, in September 2017, in cooperation with the European Bank for Reconstruction and Development (EBRD). The GPA national seminars were organised, respectively, for and at the request of: (i) Sri Lanka, held in Colombo in September 2017; and (ii) China, in cooperation with the Administrative Committee of China (Guangdong) Pilot Free Trade Zone Qianhai & Shekou Area of Shenzhen, held in Shenzhen, China, in October 2017.

3.29. In addition, the Secretariat participated as a cooperating partner in three separate Capacity-Building Workshops organised in Geneva by EBRD under the latter's GPA Technical Cooperation Facility<sup>63</sup>, for the benefit of GPA acceding Members and observers from the EBRD's area of operations. These activities were organised during the Committee's meeting weeks in February, June and October 2017, in order to assist officials participating, on behalf of their governments, in GPA accession negotiations and/or to provide practical exposure to the Committee meetings. The October event also benefitted from significant support by the Commercial Law Development Programme of the US Department of Commerce (CLDP). Beyond the foregoing activities, Secretariat experts also participated, by invitation, in a number of relevant activities organised by national authorities or other international organizations.<sup>64</sup>

3.30. The Committee notes the importance of the Secretariat's technical assistance activities in promoting a better understanding of the GPA among WTO Members that are not yet Parties to the Agreement, and in facilitating accessions to and post-accession implementation of the Agreement.

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<sup>61</sup> WT/ACC/SYC/64, dated 5 November 2014, paragraph 322: "The representative of Seychelles confirmed that, within one year from the date of accession, Seychelles would initiate negotiations to accede to the WTO Agreement on Government Procurement. The Working Party took note of this commitment."

<sup>62</sup> GPA/106, dated 9 December 2010, paragraph 30.

<sup>63</sup> A facility set up by EBRD to provide support for capacity building for countries in its area of operations contemplating, preparing for or acceding to the Agreement – see GPA/126 and GPA/126/Corr.1, dated 26 November 2014, para. 3.31.

<sup>64</sup> These included: (i) the Africa High Level Procurement Forum and e-Government Procurement Forum, jointly organised by the African Development Bank and World Bank, Johannesburg, South Africa, 3-7 April 2017; (ii) the International Workshop e-Procurement and Cross-border Participation in Procurement, organised by Korea Public Procurement Service, Seoul, Korea, 19-20 April 2017; (iii) the EBRD Expert Level Session on a Methodology for GPA Economic Impact Analysis, organised by EBRD, London, 19-20 April 2017; (iv) the Panel Discussion on SME Procurement at the EBRD Annual Meeting in Cyprus, and Workshop on e-Procurement, organised by EBRD, Cyprus, 8-9 May 2017; and (v) the Capacity Building Workshop on Government Procurement for Armenia, Moldova, Montenegro and Ukraine, organised jointly by WTO, the Commercial Law Development Programme of the US Department of Commerce (CLDP) and EBRD, Geneva, Switzerland, 19 October 2017.

It appreciates the role that EBRD has played in supporting work on GPA accession by countries within its area of operations. It welcomes, also, the growing cooperation between the Secretariat and CLDP. It encourages the Secretariat to intensify its work in this area pursuant to the mandate endorsed by GPA Ministers in 2011 and 2013<sup>65</sup>, while deepening its existing partnerships and exploring avenues for further cooperation with other agencies where possible and appropriate.

#### 4 THE COMMITTEE'S AGREED WORK PROGRAMMES

4.1. Significant work was done by the Committee during the review period in relation to its agreed Work Programmes.<sup>66</sup> The Work Programmes are intended, broadly, to: (i) promote transparency with respect to Parties' implementation of the Agreement; (ii) facilitate, where relevant, improvements in the administration of the Agreement; and (iii) contribute, where appropriate, to preparations for the future negotiations that are called for in Article XXII:7 of the revised GPA. Activity focused, during the year, on the Work Programmes on: (i) Sustainable Procurement; (ii) the Collection and Reporting of Statistical Data; and (iii) SMEs. In each case, progress was facilitated by discussions held in informal small groups, the results of which were subsequently reported to the Committee as a whole.

4.2. Further to the above:

- As regards the **Work Programme on Sustainable Procurement**, Paragraph 2 of the relevant Decision<sup>67</sup> mandates the Committee to examine topics that include: (i) the objectives of sustainable procurement; (ii) the ways in which the concept of sustainable procurement is integrated into national and sub-national procurement policies; and (iii) how sustainable procurement can be practised in a manner consistent with the principle of "best value for money", and with the Parties' international trade obligations. Inputs describing relevant policies, objectives and legislation have been provided by seven Parties. A compilation of all submissions received was circulated by the Secretariat in October 2016. Related proposals to advance the discussions have been circulated at various points by Canada and a supportive note provided by New Zealand.
- Carrying forward the work on this Work Programme, at the Committee's request, a Symposium on Sustainable Procurement was held on 22 February 2017. Following the Symposium, the Secretariat was asked to prepare a report outlining key take-aways from the event. The requested report was circulated in May 2017.<sup>68</sup> In the course of a follow-up discussion in June 2017, the Secretariat was asked to prepare and circulate a list of measures and policies relevant to sustainable public procurement that are mentioned in Parties' submissions and/or in the Secretariat's Report on the Symposium on Sustainable Procurement. The requested List was circulated by the Secretariat in September 2017.<sup>69</sup> In the course of the Committee's discussion in October 2017, two delegations indicated their intention to jointly prepare, for the Parties' consideration in March 2018, a draft outline identifying key elements to be addressed in the final report for the Work Programme on Sustainable Procurement.<sup>70</sup>
- Regarding the **Work Programme on Collection and Reporting of Statistical Data**, Paragraph 1 of the relevant Decision<sup>71</sup> calls for the Committee to: (i) review the collection and reporting of statistical data by the Parties; (ii) consider the potential of harmonizing them; and (iii) prepare a report of the results. Relevant submissions of information on statistical data on covered procurement have been initially received from 13 Parties. A compilation of the inputs was circulated by the Secretariat in February 2016 and an updated version was circulated in July 2017. In the course of the Committee's meetings in February 2017, Parties agreed to further exchanges of

<sup>65</sup> GPA/112, dated 16 December 2011, paragraph 8; GPA/122, dated 3 December 2013, paragraph 5.

<sup>66</sup> See Annexes C, D, E, F and G of Appendix 2 of the Committee's Decision of 30 March 2012 on the Outcomes of the Negotiations (GPA/113, dated 2 April 2012).

<sup>67</sup> See GPA/113, Annex E of Appendix 2, page 444.

<sup>68</sup> GPA/W/341, dated 30 May 2017.

<sup>69</sup> GPA/WPS/SP/11, dated 13 September 2017.

<sup>70</sup> Pursuant to Paragraph 3 of the relevant Decision, the report shall list the best practices of the measures and policies that the Committee considers to be sustainable procurement practiced in a manner consistent with the principle of "best value for money" and with Parties' international trade obligations.

<sup>71</sup> See GPA/113, Annex D of Appendix 2, 442-443.

information on selected technical issues. In April 2017, a Working List of Issues related to the Work Programme, together with a document setting out proposed questions to be addressed in the course Committee's meetings in June 2017, were circulated by the United States. In September 2017, additional questions to be discussed in the course Committee's meetings in October 2017 and March 2018 were circulated by the United States. Altogether, replies to the further set of questions have been provided by seven Parties.

- In regard to the **Work Programme on SMEs**, Paragraph 3.2 of the relevant Decision<sup>72</sup> provides that the Committee shall survey the Parties, through the use of a Questionnaire seeking information regarding the measures and policies used to assist, promote, encourage, or facilitate participation by SMEs in government procurement. The terms of the Questionnaire were agreed in 2015. Altogether, replies to the SME Questionnaire have been received from 16 Parties. A compilation of replies was circulated by the Secretariat in February 2016 and an updated version was circulated in October 2016. In the course of the Committee's meetings in February 2016, Parties agreed to carry out an initial exchange of follow-up questions and answers.
- Subsequently, written questions were circulated by three Parties and written answers provided by 11 Parties. A compilation of the questions and answers received was circulated by the Secretariat in October 2016 and an updated version was circulated in July 2017. At the request of the Committee, a short paper identifying possible SME-related issues for discussion by Parties in an informal, small group format, was circulated by the Secretariat in October 2016. At the Committee's meetings in October 2016, Parties were invited to provide contributions on commonalities in their approaches for promoting and facilitating the participation of SMEs of the Parties in government procurement. Subsequently, such a contribution was provided by one Party.
- Carrying forward the work on this Work Programme during the period under review, in the course of the Committee's February 2017 meetings, Parties were encouraged to submit non-papers regarding their views on what constitutes "best practices" for promoting and facilitating the participation of SMEs in government procurement. In the course of the Committee's June 2017 meetings, two delegations indicated their intention to jointly prepare for discussion by the Committee a draft list of "best practices" for promoting and facilitating the participation of SMEs in government procurement, based on the practices identified in the Parties' non-papers. In the Committee's October 2017 meetings, some delegations indicated their desire to initiate the process of identifying the measures and policies considered to be good or best practices and to also commence identification of "other" measures.<sup>73</sup> A further discussion on the topic is expected to take place in March 2018.

4.3. Concerning the **Work Programme on Exclusions and Restrictions in Parties' Annexes**, 14 Parties have provided lists of country-specific and other exclusions or restrictions in their Annexes. A compilation of replies was circulated by the Secretariat in January 2016 and an updated version was circulated in February 2017. Regarding the review called for in paragraph 6 of the Decision establishing the Work Programme on Exclusions and Restrictions in Parties' Annexes<sup>74</sup> and as noted also in its 2016 Annual Report<sup>75</sup>, the Committee considers that the exchange of information already conducted pursuant to this Work Programme has been useful. Parties that have not yet provided their relevant inputs to the Work Programme, including recently acceded Parties, are cordially requested to do so. Parties desiring additional information concerning any Parties' exclusions and restrictions may so request under the terms of paragraph 4 of the same Decision, or pursuant to their general rights as Parties to the Agreement.

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<sup>72</sup> See GPA/113, Annex C of Appendix 2, 439-441.

<sup>73</sup> Pursuant to Paragraph 4.1 of the relevant Decision, the "Committee shall identify the measures and policies that it considers to be best practices for promoting and facilitating the participation of SMEs of the Parties in government procurement and prepare a report that includes the best practices of the measures and policies and a list of the other measures."

<sup>74</sup> See GPA/113, Annex F of Appendix 2, 445-446.

<sup>75</sup> See GPA/141, dated 29 November 2016, paragraph 4.4.

4.4. More generally, with respect to all of the Work Programmes discussed above, the Committee considers that its work has been useful in enhancing transparency and as a contribution to preparations for the eventual further review of the Agreement which is called for in Article XXII:7 of the revised Agreement. It looks forward to further engagement, where appropriate, on these Work Programmes in 2018. Other Work Programmes foreseen at the conclusion of the GPA renegotiation in 2012, for example on Safety Standards in International Procurement; Review of the Use, Transparency and the Legal Frameworks of Public-Private Partnerships, and their Relationship to Covered Procurement; the Advantages and Disadvantages of Developing Common Nomenclature for Goods and Services; and the Advantages and Disadvantages of Developing Standardized Notices<sup>76</sup>, will be taken up as and when the Committee considers this to be useful and timely.

## 5 NOTIFICATIONS UNDER THE AGREEMENT

5.1. This part of the report summarizes information relating to the notifications under the Agreement, including with respect to: (i) the thresholds applicable under the Agreement; (ii) the notification of national implementing legislation; (iii) statistical reporting; (iv) consultations and dispute settlement; and (v) modifications to the Agreement's Appendices.

5.2. The Committee takes note of the notifications made in the course of the reporting period and encourages delegations that have not yet provided relevant notifications to do so.

### 5.1 Thresholds

5.3. In accordance with the Decision on Modalities for Notifying Threshold Figures in National Currencies<sup>77</sup>, since the last Annual Report, four Parties (the Republic of Korea, the Republic of Moldova, the Netherlands with respect to Aruba and New Zealand) have provided information on their respective threshold figures expressed in national currencies (see Table 1 below).

**Table 1: The Thresholds in Appendix I of the Agreement as Expressed in National Currencies**

Party	Symbol	Date	Period of validity
Korea, Republic of	GPA/W/336/Add.6/Rev.1	13/01/2017	From 01/01/2017 to 31/12/2018
Moldova, Republic of	GPA/W/336/Add.12	06/04/2017	From 14/07/2016 to 14/07/2018
Netherlands with respect to Aruba	GPA/W/314/Add.12	03/03/2017	From 01/01/2012 to 31/12/2013
	GPA/W/299/Add.11	03/03/2017	From 01/01/2008 to 31/12/2009
New Zealand	GPA/W/336/Add.13	12/10/2017	From 01/01/2017 to 31/12/2018

### 5.2 Notification of national implementing legislation

5.4. Pursuant to Article XXIV:5(b) of the 1994 Agreement and Article XXII:5 of the revised Agreement, notifications were received from one Party (Japan) (see Table 2 below).

**Table 2: National Implementing Legislation**

Party	Symbol	Date
Japan	GPA/99/Add.5	03/04/2017
	GPA/37/Add.14	03/04/2017

### 5.3 Statistical reporting

5.5. Article XIX:5 of the 1994 Agreement and Article XVI:4 of the revised GPA require Parties to collect and provide, on an annual basis, statistics on their procurements covered by the Agreement. During the period under review, ten Parties (Canada, the European Union, Iceland, Japan, the Republic of Moldova, the Netherlands with respect to Aruba, New Zealand, Switzerland, Chinese Taipei and Ukraine) have provided statistical reports (see Table 3 below).

<sup>76</sup> See GPA/113, Annex G, and GPA/113, Annex B, respectively.

<sup>77</sup> GPA/1, dated 5 March 1996, Annex 3.

**Table 3: Statistics on Procurements Covered by the Agreement**

Party	Symbol	Date	Legal Basis	Period covered
Canada	GPA/130/Add.7	06/02/2017	Art. XVI:4 revised GPA	2014
	GPA/130/Add.7/Rev.1	12/04/2017	Art. XVI:4 revised GPA	2014
European Union	GPA/123/Add.7	03/07/2017	Art. XVI:4 revised GPA	2013
Iceland	GPA/142/Add.2	25/04/2017	Art. XVI:4 revised GPA	2016
	GPA/137/Add.6	25/04/2017	Art. XVI:4 revised GPA	2015
Hong Kong, China	GPA/142/Add.6/Corr.1	04/09/2017	Art. XVI:4 revised GPA	2016
	GPA/142/Add.6	31/08/2017	Art. XVI:4 revised GPA	2016
Japan	GPA/137/Add.5	25/04/2017	Art. XVI:4 revised GPA	2015
Moldova, Republic of	GPA/142/Add.1	06/04/2017	Art. XVI:4 revised GPA	2016
The Netherlands with respect to Aruba	GPA/130/Add.8	03/03/2017	Art. XVI:4 revised GPA	2014
New Zealand	GPA/142/Add.4	19/07/2017	Art. XVI:4 revised GPA	2016
	GPA/137/Add.7	19/07/2017	Art. XVI:4 revised GPA	From 12/08/2015 to 31/12/2015
Switzerland	GPA/142/Add.5	22/08/2017	Art. XVI:4 revised GPA	2016
Chinese Taipei	GPA/142/Add.3	03/07/2017	Art. XVI:4 revised GPA	2016
Ukraine	GPA/142	30/01/2017	Art. XVI:4 revised GPA	2016

#### 5.4 Consultations and dispute settlement

5.6. No matters were raised during the reporting period under Article XXII of the 1994 Agreement or Article XX of the revised Agreement (Consultations and Dispute Settlement).

#### 5.5 Notifications relating to the Appendices to the Agreement<sup>78</sup>

##### 5.5.1 Notifications related to Appendices I of the Agreement

5.7. Since the last Annual Report, four Parties (Armenia, Japan, New Zealand and Singapore) have notified proposed modifications to Appendix I of the revised Agreement, pursuant to Article XIX:1 of the revised GPA (see Table 4 below).

5.8. In addition, three Parties (Armenia, Japan and Singapore) have notified proposed modifications to Appendix I of the 1994 GPA, pursuant to Article XXIV:6(a) of the 1994 Agreement (see Table 5 below).

##### 5.5.2 Notifications related to Appendices II to IV of the Agreement

5.9. During the reporting period, there has been no notification.

<sup>78</sup> See also GPA/W/326, dated 19 March 2014 - Committee on Government Procurement - Approval and issuance of updated loose-leaf schedules to the revised Agreement - Note from the Secretariat; and GPA/W/327, dated 11 April 2014 - Committee on Government Procurement - Certification of updated loose-leaf schedules to the revised Agreement - Appendices II-IV - Note from the Secretariat.

**Table 4: Modifications to Appendix I that have been notified under Article XIX:1 of the revised GPA**

Party proposing modifications	Proposed Modifications		Related Communications				Certification		Status and Remarks
	Doc Symbol	Date	Questions/Objection	Doc Symbol	Party	Date	Effective Date	Symbol	
Armenia	GPA/MOD/ARM/3	02/03/2017					16/04/2017	WT/Let/1252	The proposed modification has become effective, as no objection was received within 45 days.
			Questions	GPA/MOD/ARM/4	United States	13/03/2017			
			Replies	GPA/MOD/ARM/5	Armenia	20/03/2017			
Japan	GPA/MOD/JPN/97	05/04/2017					20/05/2017	WT/Let/1264	The proposed modification has become effective, as no objection was received within 45 days.
	GPA/MOD/JPN/99	28/09/2017					12/11/2017	Let document to be circulated	The proposed modification has become effective, as no objection was received within 45 days.
New Zealand	GPA/MOD/NZL/3	27/10/2017					11/12/2016	WT/Let/1224	The proposed modification has become effective, as no objection was received within 45 days.
	GPA/MOD/NZL/4 <sup>79</sup>	11/05/2017					26/06/2017	WT/Let/1269	The proposed modification has become effective, as no objection was received within 45 days.
Singapore	GPA/MOD/SGP/5	02/11/2016					17/12/2016	WT/Let/1227	The proposed modification has become effective, as no objection was received within 45 days.

**Table 5: Modifications to Appendix I that have been notified under Article XXIV:6(a) of the 1994 Agreement<sup>80</sup>**

Party proposing modifications	Proposed Modification		Certification		Status and Remarks
	Doc Symbol	Date	Effective Date	LET Document Symbol	
Armenia	GPA/MOD/ARM/2	02/03/2017	01/04/2017	WT/Let/1251	The proposed modification has become effective, as no objection was received within 30 days.
Japan	GPA/MOD/JPN/96	05/04/2017	05/05/2017	WT/Let/1259	The proposed modification has become effective, as no objection was received within 30 days.
	GPA/MOD/JPN/98	28/09/2017	28/10/2017	Let document to be circulated.	The proposed modification has become effective, as no objection was received within 30 days.
Singapore	GPA/MOD/SGP/4	02/11/2016	02/12/2016	WT/Let/1226	The proposed modification has become effective, as no objection was received within 30 days.

<sup>79</sup> See also GPA/MOD/NZL/4/Corr.1, dated 26 June 2017.

<sup>80</sup> A list of outstanding proposed modifications to Appendix I under the 1994 Agreement from 2015 and previous years is provided in GPA/134, dated 16 November 2015, paragraph 5.9.